



Office of the Director
Department of Athletics

Campus Box 8502
Weisiger-Brown Athletics Facility
2500 Warren Carroll Dr
Raleigh, NC 27695-8502
P: 919.515.2109

March 2, 2017

CONFIDENTIAL PERSONNEL RECORD

Mr. Mark F. Gottfried
2805 Anderson Drive
Raleigh, NC 27608

Dear Mark,

As we have discussed, this letter serves as NC State's formal written notice to terminate your employment without cause pursuant to Section XIII of your employment Contract with the University. NC State's termination of your employment without cause covers your position as head men's basketball coach under the Third Employment Agreement (Contract). This letter clarifies and confirms our discussions to exercise an effective termination date as of the last day of the men's basketball team's postseason competition in March of 2017.

Remaining Compensation & Mitigation

In consideration of the effective termination date as of the last day of competition in March of 2017, and the accrual and receipt of a supplemental compensation payment, you and NC State University have agreed that:

- i) You will be paid any and all Annual Salary remaining due under the Contract in monthly installments (partial months shall be calculated at a daily pro rata rate) through the end of the Contract term, April 4, 2020.
- ii) You will be paid your accrued annual leave and any bonuses earned or accrued as of your last day of employment, in April of 2017;
- iii) You agree that no further salary, supplemental compensation, or any other form of compensation is due you under the Contract other than the Annual Salary due you and referred to above, your accrued annual leave, any earned/accrued bonuses, and the supplemental compensation payment accruing on March 1 and to be paid on March 31, 2017 under Section IV of the Contract. You expressly agree to relinquish any and all claims to any further compensation due you except as provided herein; and
- iv) You agree to use personal good faith and reasonable efforts to mitigate the continuing Salary payments to be paid by NC State under the Contract,

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EXHIBIT

and attempt to obtain other employment as set forth in Section XIII.B of the Contract. For the sake of clarity, should you accept another coaching position prior to April 4, 2020, offsets will be calculated and made in accordance with Sections XIII.B-D of the Contract; further, in consideration of the negotiated and effective termination date and your accrual of a quarterly supplemental payment on March 1, 2017, we have further agreed that should you accept a non-coaching, basketball-related employment position (e.g. television, scouting, analytics, camps and clinics, speaking etc.) prior to April 4, 2020, any compensation you receive pursuant to such employment will offset NC State's Supplemental Salary payment obligation to you of up to \$143,750 in any single year (*calculated as an April through March year; partial years will be calculated on pro rata basis*) and up to \$431,250 in total over the remaining term of your Contract only (i.e., compensation from such employment shall not offset NC State's Annual Salary payment obligations to you; it shall only reduce NC State's Supplemental Salary payment obligations to you). The parties acknowledge and agree that other than your duty to mitigate, you have no further monetary obligations to NC State as of the effective date of your termination.

As evidenced by your execution and counter-signature on this letter, you acknowledge you have had the benefit of legal counsel and/or representation, and have negotiated the terms herein voluntarily together with the benefit of such representation. And finally, you agree and accept the sum of all payments described in this letter as the sole forms of compensation due you.

All payments from NC State shall be tendered less standard payroll deductions, customary withholdings, applicable employment taxes, and the like. Any retirement contributions from NC State will cease upon the effective date of termination. Your April 2017 paycheck will include the payment of any unused annual leave in accordance with university leave policies, together with applicable withholding.

You are responsible for notifying Deputy Athletics Director Michael Lipitz immediately upon your acceptance of any employment. You further acknowledge and agree to provide NC State a copy of your employment agreement for the new position (and/or other documentation satisfactory to NC State such as an affidavit from you and a third party), to be later verified by your W-2 for the new position that evidences your total compensation for such employment through April 4, 2020. In addition, you agree to provide NC State with a copy of your W-2 form for each calendar year to substantiate your new employment compensation as long as NC State has the obligation to make payments to you.

Benefits

Your health insurance will be covered through April 30, 2017, with all other benefits of any kind ending March 31, 2017. You will receive applicable COBRA information regarding benefit continuation in the mail. All memberships will terminate as of March 31, 2017. Nothing in this letter shall be deemed to waive any entitlement you may have to benefits under applicable benefit plans or waive any of your vested benefits. If you have questions about your insurance and retirement contributions or other benefits, please contact Mr. Joe Williams, Director of Employee Benefits and Programs, at 919-515-4318.

Camps

Since you will no longer be serving as men's basketball head coach, you are no longer authorized to operate sports camps at the university and not authorized to use the university's logos, marks and insignias. All promotions and other activities associated with camps should cease immediately and any deposits from applications received for any camps should be refunded in a timely manner.

Personal Effects & University Property

Please make arrangements with Chris Boyer, Deputy Athletics Director for External Operations, to retrieve your personal effects from the office and return all University property, including but not limited to cell phone, computers, iPad, purchase card, identification card, parking permit, fob, and keys by the end of the day on Friday, March 31, 2017. Please also provide to Chris your login and password information for any university computer, phone, social media accounts and other technology platforms.

Please submit all outstanding travel receipts and advances to the Athletics Business Office by Friday, March 31, 2017. Any unpaid travel advances and any undocumented or non-business related purchase card items will be deducted from your pay.

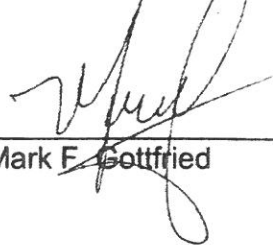
Thank you, Mark, for your contributions to NC State and its men's basketball program over the past six years. Please let us know how we can assist you in this transition. We wish you well in your future endeavors.

Sincerely,



Deborah A. Yow
Director of Athletics

ACKNOWLEDGED & AGREED



Mark F. Gottfried

3/9/17
Date

XC: Michael Lipitz, Deputy Athletics Director for Internal Operations
Chris Boyer, Deputy Athletics Director for External Operations
Christy Scheid, Director of Athletics Human Resources
Chancellor's Office
Office of General Counsel
Personnel File
Jordan Bazant, WME Entertainment